

HOUSE BILL 1465

By Cochran

AN ACT to amend Tennessee Code Annotated, Title 12;
Title 62 and Title 68, relative to construction.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 6, Part 1, is amended by adding the following as a new section:

(a) An owner, investor, developer, or other person shall not condition, reduce, withhold, or delay payment pursuant to a construction agreement to a commercial building contractor by requiring the commercial building contractor to sign a waiver, release, denial, discharge, negative affirmation, or similar document, other than a document that corresponds directly to the specific work, services, materials, and labor for which the payment is due.

(b) A requirement for a signed document as described in subsection (a) is against public policy in this state and void.

(c) A commercial building contractor suffering damages as a result of a violation of this section has a private cause of action against the owner, investor, developer, or other person who violates this section.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it, and applies to construction agreements entered into, amended, or renewed on or after the effective date of this act.